

FISCAL NOTE

SB 1249 - HB 1183

March 18, 1997

SUMMARY OF BILL: Reduces the Hall Income Tax rate by 10% each year, beginning in FY97-98, until it is eliminated. The current rate is 6% on interest and dividend income. The collections are apportioned 5/8ths to the state general fund and 3/8ths to local governments.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$7,606,250 First Year
Decrease Local Govt. Revenues - \$4,563,750 First Year

Estimate is based on projected Hall Income Tax collections for FY97-98 of \$121,700,000 in the absence of this bill. The first year total decrease would be \$12,170,000, of which \$7,606,250 would be the decrease to the state and \$4,563,750 would be the decrease to local governments. In the second year, the decrease would be **an additional** \$12,170,000 for a total of \$24,340,000, of which \$15,212,500 would be the decrease to the state and \$9,127,500 would be the decrease in local revenues. In FY 2006-2007, the final year of implementation, the total decrease in revenue will be \$121,700,000, of which \$76,062,500 would be the decrease to the state and \$45,637,500 would be the decrease to local governments.

This estimate assumes, for illustrative purposes, no growth in the Hall Income Tax.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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